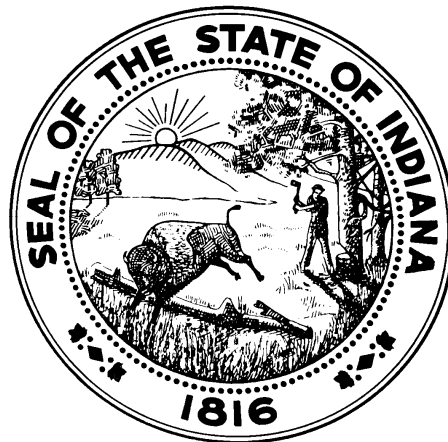


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
TOWN OF BROOKVILLE  
FRANKLIN COUNTY, INDIANA  
January 1, 2006 to December 31, 2007



**FILED**  
12/10/2008



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## OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Alberta Sauerland Linda Dunn	01-01-92 to 03-31-06 04-01-06 to 12-31-08
President of the Town Council	Michael Biltz	01-01-06 to 12-31-08
Superintendent of Utilities	Kurt Reidman	01-01-06 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
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INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

**INDEPENDENT ACCOUNTANT'S REPORT**

TO: THE OFFICIALS OF THE TOWN OF BROOKVILLE, FRANKLIN COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Brookville (Town), for the period of January 1, 2006 to December 31, 2007. The Town's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Town for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

October 30, 2008

TOWN OF BROOKVILLE  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES  
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 481,576	\$ 943,223	\$ 1,046,575	\$ 378,224
Motor Vehicle Highway	80,046	97,348	58,442	118,952
Local Road and Street	3,237	12,195	8,647	6,786
Parking Meter Fund	19,364	16,243	9,871	25,736
Law Enforcement Continuing Education	1,687	1,065	1,266	1,486
Riverboat	50,215	16,689	398	66,506
Main Street Grant	5,200	19,720	24,920	-
Rainy Day	24,083	-	-	24,083
Police Donation Fund	1,847	8,710	4,469	6,088
Trash	110,689	147,266	151,682	106,273
Cumulative Capital Improvement	42,486	9,474	21,653	30,307
Cumulative Capital Development	193,385	40,061	564	232,882
Economic Development Income Tax	83,009	120,882	145,301	58,590
Building - Restricted	135,820	4,150	-	139,970
Grandstand Donation	123,693	345,121	409,787	59,027
Proprietary Funds:				
Water Utility - Operating	359,601	284,004	240,086	403,518
Water Utility - Depreciation	8,470	12,000	16,950	3,520
Water Utility - Customer Deposit	21,900	7,100	6,350	22,650
Wastewater Utility - Operating	705,979	810,691	1,392,474	124,197
Wastewater Utility - Bond and Interest	391,399	105,771	78,960	418,210
Wastewater Utility - Depreciation	51,303	1,579	-	52,882
Fiduciary Funds:				
Levy Excess	-	10,912	-	10,912
Payroll	-	843,296	843,296	-
Totals	<u>\$ 2,894,989</u>	<u>\$ 3,857,500</u>	<u>\$ 4,461,689</u>	<u>\$ 2,290,799</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 378,224	\$ 853,525	\$ 1,041,857	\$ 189,892
Motor Vehicle Highway	118,952	96,380	109,598	105,734
Local Road and Street	6,786	12,540	12,384	6,942
Parking Meter Fund	25,736	20,615	13,254	33,097
Law Enforcement Continuing Education	1,486	2,634	-	4,120
Riverboat	66,506	76,585	30,464	112,626
Rainy Day	24,083	5,097	-	29,180
Police Donation Fund	6,088	1,420	2,219	5,289
Trash	106,273	146,317	132,090	120,500
Cumulative Capital Improvement	30,307	11,315	15,253	26,369
Cumulative Capital Development	232,882	37,439	1,128	269,193
Economic Development Income Tax	58,590	109,535	82,878	85,247
Building - Restricted	139,970	6,563	-	146,532
Grandstand Donation	59,027	146,801	199,694	6,135
JAG Grant	-	8,904	8,521	383
Assistance to Firefighters Grant	-	31,627	31,627	-
Playground Equipment Grant	-	5,970	-	5,970
Preservation Old Brookville Cemetery Grant	-	3,000	3,000	-
Feasibility Study of Historic Preservation Grant	-	2,000	-	2,000
Dugouts Grant	-	10,000	-	10,000
Proprietary Funds:				
Water Utility - Operating	403,518	413,075	369,892	446,700
Water Utility - Depreciation	3,520	12,000	-	15,520
Water Utility - Customer Deposit	22,650	6,125	6,515	22,260
Wastewater Utility - Operating	124,197	664,210	653,803	134,604
Wastewater Utility - Bond and Interest	418,210	190,054	458,961	149,303
Wastewater Utility - Depreciation	52,882	312,257	1,620	363,519
Fiduciary Funds:				
Levy Excess	10,912	22,708	10,912	22,708
Payroll	-	876,716	876,716	-
Totals	<u>\$ 2,290,799</u>	<u>\$ 4,085,410</u>	<u>\$ 4,062,386</u>	<u>\$ 2,313,823</u>

The accompanying notes are an integral part of the financial information.

TOWN OF BROOKVILLE  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, highways and streets, health and social services, culture and recreation, water and wastewater utilities, and general administrative services.

Note 2. Fund Accounting

The Town uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

TOWN OF BROOKVILLE  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Town authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Note 7. Long-Term Debt

The Town has entered into debt such as bonds for wastewater improvements. The outstanding principal at December 31, 2007, was \$987,200.

TOWN OF BROOKVILLE  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received. Infrastructure capital assets have not been calculated.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 236,029
Buildings	855,537
Improvements other than buildings	116,033
Machinery and equipment	<u>850,106</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 2,057,705</u>
 <u>Primary Government</u>	 <u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets depreciated:	
Utility Plant in service	<u>\$ 880,799</u>
Total Water Utility capital assets	<u>880,799</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	6,614
Capital assets depreciated:	
Utility Plant in service	<u>4,974,652</u>
Total Wastewater Utility capital assets	<u>4,981,266</u>
Total business-type activities capital assets	<u>\$ 5,862,065</u>

TOWN OF BROOKVILLE  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM DEBT  
December 31, 2007

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type Activities:		
Wastewater Utility		
Revenue bonds:		
Wastewater Improvement	\$ 987,200	\$ 78,998

TOWN OF BROOKVILLE  
EXIT CONFERENCE

The contents of this report were discussed on October 30, 2008, with Linda Dunn, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.